



Role of innovation in sustainable growth

Rut Bizková, Deputy Minister of the Environment, Czech Republic

Celebrating 20th anniversary of the Velvet Revolution, the hard economic situation has nevertheless become reality in the Czech Republic as well. Non-violent changes in the year 1989 have given us democracy, market economy and a radical improvement of our environment.

It is good to bring back the twenty years' "historical" experiences of the Central and Eastern Europe in the moment when economic recession is affecting the whole continent and suitable solutions are being sought. One of the proposed solutions is to radically favour "green", i.e. energy and material efficient technologies.

Provided that environmental protection objectives are well designed, the creation of legal framework for the use of multilaterally efficient technologies is the right incentive for an innovation jump from the crisis.

The Czech Government has adopted a packet of anti-crisis measures facilitating small and middle enterprise, reducing the price of labour and creating stimuli for environmentally friendly technologies. An important example from this packet is the "Green Light for Savings" programme supporting energy savings in the housing sector. Energy savings in family and apartment houses are fuelled by the resources gained from selling of emission credits of unreleased carbon dioxide emissions. Thereby, we can achieve win-win-win-win effects: energy is saved, emissions of air-contaminating substances and greenhouse gases are reduced, household energy expenses are reduced or not increased, and building industries are encouraged, which has the highest multiplication effects on economy and small and middle enterprises in particular simultaneously assert themselves in this domain.

However, this extent of directness is the maximum of what can be realised in a market-conforming setting. Any social or environmental engineering is a way that finally leads to economic decline resulting in a revolution that may not be velvet as was that in the former Czechoslovakia 20 years ago.

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